

SBA 504 Companies expand operations into Rhode Island

The SBA Office of Financial Assistance has approved requests by the South Eastern Economic Development Corporation (SEED) of Taunton, Mass., Bay Colony Development Corporation of Waltham, Mass., and Connecticut Community Investment Corporation of New Haven, Conn. to expand their areas of operation into Rhode Island. Certified Development Companies produce loans under the SBA's 504 Program.

The loans are used for the acquisition of real estate and other fixed assets with a useful economic life of 10 years or more. Forty percent of the financing is provided by the CDC, 50 percent by a participating lender, and the borrower must provide the remaining 10 percent.

Bay Colony and SEED are authorized to make 504 loans in Bristol, Kent, Newport, and Providence counties. Connecticut Community Investment Corporation is authorized to make 504 loans in Providence, Kent, Washington, and Newport Counties.

Ocean State Business Development Authority of Providence has been producing 504 loans in Rhode Island since 1982.

To find out more about the 504 program and to meet representatives of the new CDCs, lenders are invited to attend an information meeting on Thursday, August 12 from 9:00 a.m. to noon at a location to be determined. Call the Rhode Island District Office at (401) 528-4561 for more information.

SBA and Rhode Island lenders reach out to small businesses on Block Island

SBA Regional Administrator Jeffrey Butland, District Director Mark S. Hayward and a host of SBA participating lenders called on small business owners on Block Island earlier this month. The purpose of the visit was to chat with business owners on the island and learn about their concerns and explore avenues to provide assistance.

SBA officials and the lenders were invited to the island by Kathy Szabo, Executive Director of the Block Island Chamber of Commerce. The tour provided an opportunity for the group to witness first hand the commercial activity on Block Island during the peak tourist season. Ms. Szabo briefed the group on the status of small business on the island.

The entourage visited storefronts along Main Street and the visit included a stop at the sprawling Atlantic Inn, a 21-room Victorian structure built in 1879, and The Dory Inn, which overlooks Crescent Beach. Both inns have grown with the assistance of SBA-backed loans.

Lenders participating in the visit included Bank of America, Central Connecticut Certified Development Company, Citizens Bank, Home Loan and



The Atlantic Inn (top) and The Blue Dory Inn (bottom), two of the many businesses on Block Island that have been assisted by the SBA.

Investment Bank, The Washington Trust Company, and UPS Capital Business Credit. Small business owners on the island told the lenders that more banking services are needed on Block Island. Presently there is only one Washington Trust bank branch with one ATM machine on the island. Some business owners have to ferry to the mainland to make deposits or conduct banking business.

Block Island, which is 7 miles long and three miles wide, has 800 year-round residents, 17 miles of beaches and 15,000 seasonal visitors each day.

District Office conducts government contracting workshop for women

More than two dozen women entrepreneurs visited the Rhode Island District Office last month to learn about the opportunities in federal and state government contracting.

The workshop, *Women Doing Business with the Government*, featured the basics of government contracting, rules for getting government contracts, business opportunities, and how to market to government contracting officers.

Procurement specialists from the SBA and the State of Rhode Island presented the information.



Arvind C. Patel, SBA Procurement Analyst, explains the opportunities available in government contracting.

Rhode Island SBA lenders using new E-Tran system

Several Rhode Island lending partners are taking advantage of a new web-based interface developed by the Small Business Administration that will help them save time and resources when submitting loans.

At the request of participating lenders, SBA opened the E-Tran technology to the software providers for the lending industry. With the introduction of E-Tran, lenders are able to have direct loan submission and immediate response from the agency, thus reducing the 24-hour response time by SBA.

Lenders producing SBA-backed loans in Rhode Island that are using the E-Tran application are: **Bank of America/Fleet Bank, Bank Rhode Island, Citizens Bank, Sovereign Bank, The Washington Trust Company, Capital One Bank, Innovative Bank, Stearns Bank, and Wachovia SBA Lending.**

"We are excited to make this technology available to our partners through leading software intermediaries," said SBA Administrator Hector V. Barreto. "We are now able to dramatically decrease the time and cost associated with originating a loan," Administrator Barreto added.

Subscribe to electronic version of *SBA Communicator*

The Rhode Island District Office is in the process of converting the *SBA Communicator* to an entirely electronic publication. The move to the full-color electronic version is necessitated by increased paper and printing costs and the recent decrease in district office staff.

Approximately half of the subscribers have already made the switch to the electronic version. Subscribing to the electronic version is easy and takes just a few minutes. Simply go to the SBA national Web site, www.sba.gov and look for the "other SBA subscriptions" link in the left hand column of the home page.

On the subscription page, scroll down and check the box next to Rhode Island Newsletter then go to the bottom of the page and type in your name and e-mail address. You will then receive a confirmation request.

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RISBDC
Rhode Island Small Business
Development Center



Mark S. Hayward

From the District Director's Desk

The Rhode Island District Office is embarking on a new venture for small business. We want to bring our resource and lending partners into the field with us to find out what is needed and how we can be of assistance. In fact, our goal is to do a walking tour of small businesses in all 39 communities in the state.

We started our walking tour on Block Island on July 1st, which was a terrific day. The group was comprised of three SBA district office employees, Regional Administrator Jeff Butland, a new CDC 504 lender, and 10 participating lenders.

We first met with Kathy Szabo, the executive director of the Block Island Chamber of Commerce. We then visited the Atlantic Inn and The Blue Dory Inn, both are recipients of SBA-backed loans. The owners were very gracious and provided general information about the island and their facilities. The groups then walked down Water Street at the Old Harbor and went door-to-door speaking with business owners about a variety of needs. It was refreshing to know that SBA programs and services are well received by the islanders.

We are now planning our second walking tour for Thursday, August 19 in Historic Wickford. Let us know if you are interested in joining the walking tour.

On August 19th we will also be holding our second Small Business Night with the Pawtucket Red Sox at McCoy Stadium. This is an opportunity to network and to help thank the men and women of the National Guard and Reserves. Information about this night is contained on page 6.

I've been advised that my dual responsibilities in Rhode Island and Massachusetts will continue through November. I certainly appreciate your continued support and I welcome your questions or comments and suggestions. My e-mail address is mark.hayward@sba.gov.

Again, thank you for your support.

Grafton "Cap" Willey named to SBA National Advisory Council

SBA Administrator Hector V. Barreto has named another Rhode Island business leader to the agency's National Advisory Council.

Grafton "Cap" Willey IV, CPA, the shareholder in charge of Tofias PC's Rhode Island offices, was named to a two-year term effective June 30, 2004.

Willey is well acquainted with the SBA mission and is an active advocate for small business issues at the state, regional, and national levels. He was the recipient of the 1996 SBA Rhode Island Accountant Advocate of the Year Award.

The National Advisory Council plays a unique role in advising the Administrator and agency officials

about vital issues affecting small business throughout the country.

"The success of SBA's programs depends significantly on the contribution of dedicated business leaders and concerned citizens who serve on the Advisory Council," said Administrator Barreto.

Willey has more than 30 years of experience as a tax accountant and consultant to privately held business owners. He was the managing shareholder of Plotkin & Willey prior to its merger with Tofias. Tofias is one of New England's largest and fastest growing regional accounting and consulting firms.



Grafton "Cap" Willey IV

Willey joins Warwick real estate broker Donald G. Morash, who was appointed to the council on July 1, 2003.

Small business leading Rhode Island economic recovery

More than 2,400 jobs have been added to Rhode Island's economy since June of 2003, according to statistics [roduced by the Bureau of Labor Statistics and compiled by the U.S. Small Business Administration.

The statistics also indicate a rise in payroll jobs throughout the state as the Rhode Island economic outlook begins to look brighter and brighter.

"I am encouraged to see the continued strong job growth in the Ocean State," said the SBA's Rhode Island District Director, Mark S. Hayward.

"Rhode Island is a decidedly small business state and a great deal of all our new jobs are being created by small business owners, once again underscoring the important role that small businesses play in both our national and regional economies."

The good news is that the newly-released numbers confirm that Rhode Island has regained all the jobs lost during the most recent recession, which began in March of 2000. The events of 9/11 and the corporate accounting scandals further contributed to a weakened economy.

Many economists credit small business with contributing to the short duration of the recession, according to Hayward.

While many large corporations were shedding jobs, small business owners were quietly creating jobs and opportunities for American workers, Hayward noted.

"We have weathered the recession and have taken steps to keep the economy on the upswing," said Hayward.

"Obviously, the emphasis on small business and the changes to our tax policy pursued by the Bush Administration are producing great results. More remains to be done and the SBA stands ready to assist Rhode Island entrepreneurs grow their companies and create more jobs."

Business basics workshops scheduled in Lincoln

The SBA will conduct workshops at the Northern Rhode Island Chamber of Commerce each month beginning in September. The free "Business Basics" workshops will be held from 9 to 11 a.m. on Tuesdays, September 21, October 26, November 23, and December 14.

Topics covered at each workshop will include an overview of SBA programs and services and an outline of how to write a winning business plan.

Register for the workshops online at www.sba.gov/ri, then select the training link.

Keep current on rulemakings with regulatory alerts

The SBA Office of Advocacy regularly posts links to documents that have been published in the *Federal Register* and may significantly affect small businesses. These notices can be found on Advocacy's Regulatory Alerts Web page, www.sba.gov/advo/laws/law_regalerts.html. The site contains summaries of pending rule proposals that Advocacy staff have identified as possibly having an impact on small business. The format is meant to be easy for small businesses to scan on a regular basis. Each item contains a link to the

Federal Register announcement of the notice of proposed rulemaking and directs users to the proper site to comment directly on the proposals. Small businesses are also asked to share their comments with Advocacy.

For a listing of workshops and events visit the SBA Rhode Island Web site:
www.sba.gov/ri



Rhode Island Success Story

Mens Hair Quarter

Middletown, Rhode Island

There's a baseball game on one TV and ESPN Sports Center is on a second TV. The walls are decorated with pro sports team pennants and autographed photos of sports stars. Sports magazines are scattered about on two comfortable couches. That is the decor and atmosphere at the Men's Hair Quarter on West Main Road in Middletown.

Kim Soo Seawell knew that she had a winning idea when she and Melissa Almeida opened a hair salon, which caters primarily to men.

The business opened in September 2000, after receiving a \$25,000 SBA MicroLoan from the Rhode Island Coalition for Minority Investment (RICMI).

SBA MicroLoans are direct loans that range from \$2,000 to \$35,000. RICMI is the SBA MicroLoan intermediary in Rhode Island.

The Men's Hair Quarter provides the traditional services of a barber shop with the convenience of a salon that accepts appointments. The salon also offers highlighting and coloring services and includes a room for men who want to have their hair colored in privacy. Although the business specializes in men's hair care, it is not exclusively a salon for men.

Kim Soo was born in Soeul, South Korea and was adopted at age 5, and was raised in Framingham, Mass.



Kim Soo Seawell styles a customer's hair

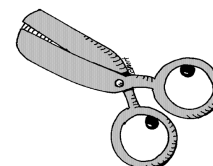
Graduating from Bentley College with a degree in management, Kim went to work in the banking industry. Eventually she moved to Colorado to take a position with a bank near Durango. Six years later, Kim Soo decided on a career change and moved back to Massachusetts and enrolled in a hairdressing school.

After working at several hair salons in Massachusetts, Kim Soo moved to Rhode Island and began to develop her idea for the hair salon. Her first stop was the Newport County Chamber of Commerce Small Business Development Center. Kim Soo enrolled in several seminars on financing, marketing and bookkeeping. She was also introduced to John Nelson, a former banker, who provides consulting services for the Rhode Island Small Business Development Center.

John has had many years of experience in working in the

commercial lending department of several banks and as a consultant for the RISBDC, who has a lot of experience that he brings to small business. John worked with Kim Soo to develop a business plan. Kim Soo estimated that it took about nine months to complete her research and to obtain the funding for the project. She also had to do quite a bit of renovation work to get the salon ready.

The clientele at Men's Hair Quarter is increasing steadily. The business now boasts of 800 regular customers, and 95 percent are men. Kim Soo realizes the power of referrals, as her business is growing as a result of her customers' word-of-mouth advertising.





and



present...

A Night of Family Fun

Saluting Small Business and National Guard and Reserve
Families and their Employers

at McCoy Stadium
Thursday, August 19



VS



\$25 per person

Join us in the Right Field
Barbecue Tent

Includes ticket to the ball game and all you can eat grilled chicken breast, 1/4 lb. hamburgers, grilled hot dogs, cole slaw, potato chips, lemonade, and ice cream bar.

Barbecue
5 p.m.

Game Time
7:05 p.m.

Call Kristyn Jodat at SBA
(401) 528-4561 or e-mail:
kristyn.jodat@sba.gov
for more information.

Name _____

Company _____

Address _____

City _____ State _____ Zip _____

of tickets _____ @ \$25 per ticket = \$ _____

I wish to donate _____ tickets @ \$25 each to family members of
deployed RI National Guard and Reserve troops = \$ _____

MAKE CHECK PAYABLE TO: SCORE

Tickets will be distributed at the tent entrance on game night

Send a check and this form to: SCORE, Attn: John McLaughlin,
380 Westminster Street, Room 511, Providence, RI 02903

Rhode Isl and SBA Bank Rank

FY04 7(a) Approved Loan Volume by SBA Lenders and Number of Loans 10/1/03 to 6/30/04

1. Citizens Bank of Rhode Island	602	\$23,030,794
2. BankRI	56	\$8,835,800
3. The Washington Trust Co.	52	\$9,806,350
4. Coastway Credit Union	36	\$6,625,000
5. Sovereign Bank New England	36	\$3,670,500
6. Fleet Bank	32	\$3,056,600
7. First Federal Savings Bank	27	\$3,875,000
8. Freedom National Bank	10	\$1,592,500
9. Independence Bank	8	\$3,905,000
10. Home Loan and Investment Bank	6	\$555,000
11. Capital One F.S.B.	6	\$225,000
12. CIT Small Business Lending	2	\$1,586,000
13. UPS Capital Business Credit	2	\$490,000
14. Minority Investment Development Corp.	2	\$231,000
15. Greenwood Credit Union	2	\$185,000
16. Bank North, N.A.	1	\$555,000
17. Pitney-Bowes Small Business Lending	1	\$528,728
18. First Trade Union Bank	1	\$300,000
19. Bank of Fall River	1	\$225,000
20. Stearns Bank, N.A.	1	\$120,000
21. Fall River Five Cent Savings Bank	1	\$100,000
22. BankNewport	0	
23. Bristol County Savings Bank	0	
24. Business Dev. Co. of Rhode Island	0	
25. Business Lenders LLC	0	
26. Business Loan Express	0	
27. Centreville Savings Bank	0	
28. Coventry Credit Union	0	
29. Danvers Savings Bank	0	
30. Domestic Bank	0	
31. G.E. Capital Small Business Finance Corp.	0	
32. NewportFed	0	
33. Slade's Ferry Bancorp	0	
Sub-Total:	885	\$69,497,544

Ocean State Business Development Authority

Ocean State Business Development Authority is a Certified Development Company licensed by SBA. The following lenders approved first mortgage financing on economic development projects, thereby facilitating the 504 loans listed below through 6/30/04.

Lender	Number Loans	SBA Debenture	Total Project
UPS Capital Business Credit	3	\$861,000	\$2,071,000
Washington Trust Company	2	\$1,945,000	\$6,030,000
Bristol County Savings Bank	2	\$666,000	\$1,605,000
Coastway Credit Union	1	\$542,000	\$1,500,000
Fleet Bank	1	\$1,216,000	\$5,200,000
Sovereign Bank	1	\$527,000	\$1,275,000
Citizens Bank	1	\$373,000	\$918,700
BCP Bank	1	\$290,000	\$700,000
Bank RI	1	\$99,000	\$270,000
Total 504 Loans	13	\$6,519,000	\$19,569,700

Total Loans 898 \$76,016,544

U.S. Small Business Administration



Your Small Business Resource

Rhode Island District Office

380 Westminster Street, Room 511

Providence, Rhode Island 02903

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July 2004

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Editor

Normand T. Deragon

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www.sba.gov/ri



**Save
the
Date!**

Thursday, August 19

Small Business Night
at
McCoy Stadium

Look for details on Page 6